

Resolution No.: 17-735  
Introduced: March 19, 2013  
Adopted: May 7, 2013

**COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND**

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By: Council President at the Request of the County Executive

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**SUBJECT:** Amendment to the FY13-18 Capital Improvements Program and Supplemental Appropriation #26-S13-CMCG-15 to the FY13 Capital Budget Montgomery County Government  
Department of Housing and Community Affairs  
Affordable Housing Acquisition and Preservation (No. P760100), \$3,881,000

**Background**

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of six Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
2. Section 302 of the Montgomery County Charter provides that the Council may amend an approved capital improvements program at any time by an affirmative vote of no fewer than six members of the Council.
3. The County Executive recommends the following capital project appropriation increases:

<u>Project Name</u>	<u>Project Number</u>	<u>Cost Element</u>	<u>Amount</u>	<u>Source of Funds</u>
Affordable Housing Acquisition and Preservation	P7601010	Land	<u>\$3,881,000</u>	Loan Repayment Proceeds
TOTAL			\$3,881,000	

4. This increase is needed to appropriate the remaining loan repayment proceeds received in FY12. These additional revenues will provide funding for additional housing acquisition and preservation activities.
5. The County Executive recommends an amendment to the FY13-18 Capital Improvements Program and a supplemental appropriation in the amount of \$3,881,000 for Affordable Housing Acquisition and Preservation (No. P760100), and specifies that the source of funds will be Loan Repayment Proceeds.
6. Notice of public hearing was given and a public hearing was held.

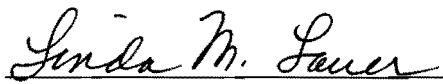
**Action**

The County Council for Montgomery County, Maryland, approves the following action:

The FY13-18 Capital Improvements Program of the Montgomery County Government is amended as reflected on the attached project description form and a supplemental appropriation is approved as follows:

<u>Project Name</u>	<u>Project Number</u>	<u>Cost Element</u>	<u>Amount</u>	<u>Source of Funds</u>
Affordable Housing Acquisition and Preservation	P7601010	Land	<u>\$3,881,000</u>	Loan Repayment Proceeds
TOTAL			\$3,881,000	

This is a correct copy of Council action.

  
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Linda M. Lauer, Clerk of the Council

## Affordable Housing Acquisition and Preservation (P760100)

Category Community Development and Housing  
 Sub Category Housing  
 Administering Agency Housing & Community Affairs (AAGE11)  
 Planning Area Countywide

Date Last Modified 3/13/13  
 Required Adequate Public Facility No  
 Relocation Impact None  
 Status Ongoing

	Total	Thru FY12	Rem FY12	Total 6 Years	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	Beyond 6 Yrs
<b>EXPENDITURE SCHEDULE (\$000s)</b>											
Planning, Design and Supervision	0	0	0	0	0	0	0	0	0	0	0
Land	112,201	50,654	34,316	27,231	17,231	10,000	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>112,201</b>	<b>50,654</b>	<b>34,316</b>	<b>27,231</b>	<b>17,231</b>	<b>10,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>FUNDING SCHEDULE (\$000s)</b>											
HIF Revolving Program	92,720	48,154	31,846	12,720	10,000	2,720	0	0	0	0	0
Loan Repayment Proceeds	16,981	0	2,470	14,511	7,231	7,280	0	0	0	0	0
Montgomery Housing Initiative Fund	2,500	2,500	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>112,201</b>	<b>50,654</b>	<b>34,316</b>	<b>27,231</b>	<b>17,231</b>	<b>10,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**APPROPRIATION AND EXPENDITURE DATA (000s)**

Appropriation Request	FY 14	10,000
Supplemental Appropriation Request		3,881
Transfer		0
Cumulative Appropriation		98,320
Expenditure / Encumbrances		50,654
Unencumbered Balance		47,666

Date First Appropriation	FY 01
First Cost Estimate	
Current Scope	FY 13
Last FY's Cost Estimate	108,320

**Description**

This project provides funding for acquisition and/or renovation of properties for the purpose of preserving or increasing the county's affordable housing inventory. The county may purchase properties or assist not-for-profit, tenant, or for-profit entities, or the Housing Opportunities Commission (HOC) with bridge financing to purchase and renovate properties. The monies may be used to purchase properties that are offered to the county under the Right of First Refusal law or otherwise available for purchase. A portion of the units in these properties must serve households with incomes that are at or below incomes eligible for Moderately Priced Dwelling Unit (MPDU) program. A priority should be given to rental housing.

**Cost Change**

The cost increase is due to the programming of additional revolving loan repayments received in FY12.

**Justification**

This project implements Section 25B, Housing Policy, and Section 53A, Tenant Displacement (Right of First Refusal), of the Montgomery County Code. Opportunities to purchase property utilizing the County's Right of First Refusal arise without advance notice and cannot be planned in advance. Properties may be acquired by the County, non-profit developers, HOC or other entities that agree to develop or redevelop property for affordable housing.

**Other**

Resale or control period restriction to ensure long term affordability should be a part of projects funded with these monies.

**Fiscal Note**

Debt service will be financed by the Montgomery Housing Initiative Fund. In addition to the appropriation shown above, this PDF assumes that any actual revolving loan repayments received will be appropriated in the subsequent year as displayed above. Future loan repayments are expected and will be used to finance future housing activities in this project.

Funding from this project will be used to support the creation of Personal Living Quarters (PLQs) associated with the Progress Place Relocation and Personal Living Quarters project #P601401. Preliminary construction cost estimates are in the range of \$3.7 million, but non-county funding will also be sought to support PLQ construction and operating costs. Rental assistance from the Montgomery Housing Initiative fund will be used to support operating costs not funded by outside contributions.

**Coordination**

Housing Opportunities Commission (HOC), Nonprofit housing providers, Private sector developers